

FISCAL NOTE

HB 2238 - SB 2254

February 7, 2002

SUMMARY OF BILL: Creates the *Tennessee Comprehensive Funeral Services Pool* as follows:

- All persons, associations, partnerships, firms, or corporations that sell pre-need funeral contracts are required to be members of the Pool.
- The Pool shall collect premiums from each member of the pool for each pre-need contract sold.
- The Commissioner of Commerce and Insurance shall administer the Pool.
- The Pool shall compensate persons who do not receive funeral services agreed upon in pre-need funeral contracts.
- An additional premium on Pool members will be assessed if claims and administration expenses exceed revenues.
- All administration expenses shall be paid from the Pool.
- A violation of the provisions of this bill is punishable as a Class C misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$61,500

**Increase State Expenditures - \$57,800 Recurring
\$3,700 One-Time**

Increase Local Govt. Revenues - Not Significant

Increase Local Govt. Expenditures - Not Significant

**Other Fiscal Impact - Increase Revenues and Expenditures - Tennessee
Comprehensive Funeral Services Pool - Exceeds \$100,000**

Estimate assumes:

- revenues equal to the amount of expenditures will be collected from the Tennessee Comprehensive Funeral Services Pool.
- one position and related expenses in the Department of Commerce and Insurance to implement the provisions of this bill.
- local impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.
- an increase in revenues from premiums collected from Pool members cannot be determined but is estimated to exceed \$100,000.
- an increase in expenditures from the Tennessee Comprehensive Funeral Services Pool to pay claims cannot be determined but is estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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